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VIA ECF AND FACSIMILE

Hon. Denny Chin
United States Court of Appeals for the Second Circuit
Thurgood Marshall U.S. Courthouse
40 Foley Square
New York, NY 10007

Re: *Sykes, et al. v. Mel S. Harris and Associates, et al.*, No. 09 Civ. 8486 (DC)

Dear Judge Chin:

On behalf of the Leucadia Defendants (Leucadia)¹ and the Plaintiffs, I write to advise the Court that we have resolved this matter in principle by way of a binding term sheet, subject to the Court's approval. This settlement does not involve the other Defendants.

The parties have agreed to negotiate in good faith by no later than January 31, 2015, a settlement agreement that will encompass the terms of the term sheet. We intend to present that agreement to the Court for approval under Fed. R. Civ. P. 23(e).

We are filing today a joint motion with the Second Circuit to hold Leucadia's appeal in abeyance pending a final decision by the Court to accept the settlement agreement. Upon approval of the settlement agreement and entry of a final judgment not subject to further appeal, Leucadia and the Plaintiffs will stipulate to the dismissal of Leucadia's appeal. In the event that the settlement is not approved, Leucadia anticipates that it would ask the Second Circuit to reactivate the appeal.

Respectfully submitted,

s/ Ralph C. Ferrara
Ralph C. Ferrara

cc: Matthew D. Brinkerhoff, Lead Counsel for Plaintiffs (via ECF)

¹ Leucadia National Corporation; L-Credit LLC; LR Credit LLC; LR Credit 10 LLC; LR Credit 14 LLC; LR Credit 18 LLC; LR Credit 21 LLC; Joseph A. Orlando; and Philip M. Cannella.